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No. 83-410

IN THE

# Supreme Court of the United States

October Term, 1983

JUNE ROTH,

*Petitioner,*

–against–

NATHAN PRITIKIN and
PATRICK M. McGRADY, JR.,

*Respondents.*

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

## BRIEF FOR RESPONDENT NATHAN PRITIKIN IN OPPOSITION

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## QUESTIONS PRESENTED

1. Did the court of appeals properly affirm the district court's factual finding that petitioner June Roth agreed to a flat fee of $3,000 as full compensation for her rights to the recipes she created for *The Pritikin Program for Diet & Exercise* (the *Pritikin Program*)?

2. Did the court of appeals properly hold that the question of whether Roth's agreement to transfer her rights in the recipes had to be in writing was to be determined by the copyright laws in effect in 1977, when the agreement was made and when Roth completed and delivered the recipes to respondents, rather than under the Copyright Act which became effective on January 1, 1978 (the "1978 Act")?

3. Would retroactive application of the 1978 Act to invalidate Roth's agreement to accept $3,000 as full compensation for her recipes deprive respondents of a valuable property interest they had acquired from Roth for good consideration and thereby violate the due process and just compensation clauses of the Fifth Amendment?

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## CONSTITUTIONAL AND STATUTORY PROVISIONS

United States Constitution, Amendment V:

No person shall be . . . deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation.

17 U.S.C. § 106:

Subject to sections 107 through 118, the owner of copyright under this title has the exclusive rights to do and to authorize any of the following:

(1) to reproduce the copyrighted work in copies or phonorecords;

(2) to prepare derivative works based upon the copyrighted work;

(3) to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending;

(4) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly; and

(5) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work, to display the copyrighted work publicly.

17 U.S.C. § 204(a):

A transfer of copyright ownership, other than by operation of law, is not valid unless an instrument of conveyance, or a note or memorandum of the transfer, is in writing and signed by the owner of the rights conveyed or such owner's duly authorized agent.

17 U.S.C. § 301(a):

On and after January 1, 1978, all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106 in works of authorship that are fixed in a tangible medium of expression and come within the subject matter of copyright as specified by sections 102 and 103, whether created before or after that date and whether published or unpublished, are governed exclusively by this title. Thereafter, no person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State.

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ON PETITION FOR WRIT OR CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

## BRIEF FOR RESPONDENT NATHAN PRITIKIN IN OPPOSITION

## COUNTERSTATEMENT OF THE CASE

Plaintiff in this copyright case is seeking to be declared a "co-author" of *The Pritikin Program for Diet & Exercise* (The "Pritikin Program") on the basis of her contribution of a portion of the recipes contained in the work. After a trial without jury, the United States District Court for the Southern District of New York (Griesa, J.) dismissed her claim, based upon its factual finding that she had orally agreed, in August of 1977, to transfer her rights in the recipes to defendants for payment of a flat fee of $3,000. The district court's finding was supported by ample testimonial evidence as well as several contemporaneous docu-

ments. See (Tr. Ex. M, Pritikin App. R. 1; Tr. Ex. A, Roth App. A. 26; Tr. Ex. B, Pritikin App. R. 3)*

On appeal to the United States Court of Appeals for the Second Circuit, plaintiff challenged the sufficiency of the evidence and argued that, in any event, her agreement was unenforceable since it was not supported by a signed writing as required by the Copyright Act which went into effect on January 1, 1978. The Court of Appeals rejected those arguments and unanimously affirmed. *Roth v. Pritikin*, 710 F.2d 934 (2d Cir. 1983). In an opinion by Judge Kaufman, the court held that the District Court's factual finding that Roth agreed to relinquish her rights was "fully supported by the evidence." *Id.* at 937. The court also held that Roth's agreement with respondents was valid and binding under the copyright law in effect when the agreement was made, and that Congress did not intend the writing requirements of the 1978 Act to retroactively invalidate existing agreements. *Id.* at 937-39. Finally, the court observed that a contrary result—applying the writing requirements of the 1978 Act to invalidate agreements entered into prior to 1978—would "raise a serious issue concerning the Act's constitutionality". *Id.* at 939.

## REASONS FOR NOT GRANTING CERTIORARI

### Point I

### None of The Traditional Considerations For Granting Certiorari Is Present In This Case

The Court of Appeals' opinion consists essentially of three holdings: first, that the district court's factual finding that Roth agreed in 1977 to accept a flat fee of $3,000 in exchange for all her rights in the recipes was fully supported by the evidence

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* Throughout this brief, Trial Exhibits will be cited as "Tr. Ex.: and the Appendix attached hereto will be cited as "Pritikin App." In addition, the appendix to Roth's petition for certiorari will be cited as "Roth App." Finally, unless specifically indicated otherwise, all emphasis has been added by respondent.

and was not clearly erroneous; second, that Roth's agreement with respondents was valid and binding under the copyright laws in effect when the agreement was made and performed, and third, that Congress did not intend the 1978 Act to retroactively invalidate the agreement and to take from respondents, without compensation, the valuable property interest which respondents had acquired for good consideration.

Of these three holdings, the first, a routine review of a trial court's factual determination, would hardly appear to warrant scrutiny by this Court, and the second—the validity of the agreements under pre-1978 law—is not disputed by Roth. 710 F.2d at 937. The court of appeals' third holding, though disputed by Roth, is clearly consistent with the language and purpose of the 1978 Act, the decisions of other circuits and decisions of this Court. Nor is that holding of such national importance as to require consideration by this Court on the merits.

Only one other court of appeals has considered whether the writing requirements contained in the 1978 Act apply to agreements entered into, or work commissioned, prior to January 1, 1978, and the decision in that case agrees with the holding below. In *May v. Morganelli-Heuman & Associates*, 618 F.2d 1363 (9th Cir. 1980), plaintiff, an architect, sued defendants for copyright infringement regarding architectural drawings created by plaintiff prior to January 1, 1978. In the absence of an express agreement, defendants, who had commissioned the drawings, alleged that they, not plaintiff, were the copyright owners under the "work for hire" doctrine as it existed when the drawings were created.*

The Ninth Circuit concluded that, under the 1978 Act, the work for hire defense would be unavailable to defendants as a matter of law, since there was no written agreement so providing. *Id.* at 1368 n.4. However, the court declined to apply the 1978 Act retroactively and remanded the case for trial on the question of whether a work for hire relationship existed under

* For a brief description of the work for hire doctrine under pre-1978 law, *see* the Second Circuit's discussion in the instant case, 710 F.2d at 937 n.3.

pre-1978 law. *Id.* at 1369. In support of its refusal to apply the 1978 Act retroactively, the court referred to Professor Nimmer's discussion of the "serious constitutional issues" which would be raised by such retroactive application. *Id.* at 1368 n.4., *citing* 1 M. Nimmer, *Nimmer on Copyright* §§ 1.11, 5.03[B](2)(C).

Other than the *May* case, and the one at bar, the question of retrospective application of the 1978 Act's writing requirement has not been raised before any other circuit court. As only two appellate courts have faced this issue in the almost six years the 1978 Act has been in effect, and since the decisions of those courts are consistent, Supreme Court review of this issue would appear to be unnecessary. And, with each passing month, the likelihood of new litigation challenging the validity of pre-1978 agreements concerning copyright ownership grows smaller.

## Point II

## The Court Of Appeals' Decision Was Plainly Correct

The Court of Appeals' holding that the 1978 Act did not retroactively invalidate Roth's agreement with respondents is fully supported by the language of the Act, its legislative history, and several rulings of this Court.

Roth has never contended that the 1978 Act contains any language stating or implying that its writing requirements govern agreements made or work commissioned prior to Janaury 1, 1978. Instead, Roth has relied on the 1978 Act's general preemption provision, *id.* § 301(a), to support her claim. Roth reads section 301(a) as declaring that after January 1, 1978, *all* legal rights in the field of copyright are governed by the 1978 Act, and that pre-1978 law is abrogated in all respects. The Court of Appeals correctly recognized that section 301(a) is a far narrower provision than Roth imagines. By its terms, all that section 301(a) provides is that the rights "*specified by section 106*,"—i.e., the rights of exclusive use belonging to whomever owns a copyright—are governed by the 1978 Act, rather than prior law. In other words, as the court of appeals properly held,

section 301 does not "purport to determine *who* holds a copyright for works created before Janaury 1978. *It merely clarifies the rights of individuals owning copyrights on that date, whomever they may be.*" 710 F.2d at 938

In refusing to infer a congressional intent to apply the writing requirements of the 1978 Act's writing requirements retroactively, the Court of Appeals noted the "total absence of consideration of the issue by the drafters" of the Act, *id.* at 939, and this Court's frequently invoked principle that " 'retrospective application will not be given a statute . . . unless such be the unequivocal and inflexible impact of the terms, and the manifest intention of the legislature.' " *Id.*, *citing Union Pacific R.R. Co. v. Laramie Stock Yards Co.*, 231 U.S. 190, 199 (1913); *Green v. United States*, 376 U.S. 149, 160 (1964); and *United States v. Security Industrial Bank*, 103 S. Ct. 407, 413 (1982).

Finally, the Court of Appeals was properly dubious of the constitutionality of Roth's interpretation of section 301(a). Under Roth's theory, section 301(a) would abrogate the 1977 agreement between Roth and respondents, which was valid when made, and transfer to Roth, without compensation to respondents, a valuable property interest which Roth had voluntarily relinquished for good consideration. The result urged by Roth, which Professor Nimmer has called "the paradigm case to illustrate unconstitutional retroactivity" (1 M. Nimmer, *supra*, § 1.11, at 1-93, 1-94), would appear to be precluded by numerous decisions of this Court. *E.g.*, *Security Industrial Bank*, *supra*; *Loretto v. Teleprompter Manhattan CATV Corp.*, 102 S. Ct. 3134 (1982); *Armstrong v. United States*, 364 U.S. 40 (1960); *Pennsylvania Coal Co. v. Mahon*, 260 U.S. 393 (1922).

In light of the Court of Appeals' unanimous and carefully reasoned opinion, the arguments raised in Roth's certiorari petition are rather difficult to comprehend. Roth's main claim is apparently that, as of Janaury 1, 1978, respondents had no protectible property interest in the book; instead, "[a]ll that existed at that time, so far as respondents were concerned, was a rebuttable presumption of copyright in their favor." (Roth's Petition, at 12). That argument is untenable on several grounds,

not least of which is that it ignores the trial court's express finding, affirmed by the Court of Appeals, that even if the defendants had the burden of proof, they had "proved by preponderance of the evidence that there was an agreement for Mrs. Roth to supply recipes of her own and to work on recipes of the Pritikin organization for a flat fee of $3,000" (Roth App. A 22). Thus, on January 1, 1978, respondents owned the copyright interest in the recipes not by virtue of any evidentiary presumption, but because of the proven fact that Roth sold it to them for good consideration.

In sum, the Court of Appeals' holding was correct on the facts and entirely consistent with the decisions in other circuits and in this Court. No purpose will be served by the granting of Roth's petition.

## CONCLUSION

For the foregoing reasons, respondent Nathan Pritikin respectfully requests that the petition of June Roth for a write of certiorari be denied.

Respectfully submitted,

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# APPENDIX

**DEFENDANTS' EXHIBIT M—LETTER DATED SEPTEMBER 9, 1977 (Pages 504-505).**

September 9, 1977

Dear Nathan,

Your letter, together with the revisions, were welcome. I found your suggestions well taken and incorporated them into my redraft. I'll send you that when I get it back from my typist.

I think you may be making too much work for yourself. Ordinary copyreader's style and symbols will suffice for revisions. I do not need anything more than your marginal suggestions as to what ought to be done with the copy. You can say, for example, "Use third paragraph on page 8 for lead of chapter, revise old lead accordingly, and insert a paragraph thereafter on avitaminosis. . ." or whatever. Edit just as much or as little as you wish. By the time your copy returns to me, I'll be able to review it with new eyes and see some of the inept phrasing or non-sequiturs myself. Make free use of arrows to show me where you'd like things to go. If you wish to do a paste-up —as you did on the first chapter—that's fine and most helpful.

However, I cannot provide extra information that only the Longevity Center has access to—such as the mean levels of certain indications, before and after, which were unavailable to me. This you must provide. In fact, the basic research (although I'm doing some on my own) essentially must remain your responsibility—since your ideas vary so considerably from other authorities.

Speaking of basic research, I have engaged a top writer of cookbooks to provide us with three weeks of menus and recipes. The first, which will be in our hands by our October 1 deadline for the first half of the book, will be GOURMET MENUS. The second will be FAMILY MENUS. The third will be MENUS FOR SINGLES. She read some of her gourmet ideas to me over the phone and I was deeply impressed. You will be, too.

Her name is June Roth and she has twenty (20!) cookbooks to her credit. She won a national cookbook writer award last year. Her credits include "SALT-FREE COOKING WITH HERBS AND SPICES", "THE SICK TUMMY COOKBOOK," THE ON-YOUR-OWN COOKBOOK," "HOW TO COOK LIKE A JEWISH MOTHER", "THE THOUSAND CALORIE COOKBOOK" and she works as a food consultant to many advertising agencies and is a member of our professional writer's society. Since we were under the gun from Bob Markel to get this recipe section in early—I took it on my own to engage her to get cracking on these recipes for us promptly.

The agreement I made with her is as follows: She will be entitled to $1500 for the recipes, which must be acceptable to you and me. She will also be entitled to 50 percent of any money we receive from serializations (i.e. magazine excerpts from the book) of those recipes that are used. So, for example, if *Redbook* decided to run our dietbook in two issues of the magazine, and the recipes done by June occupied, say, 25 percent of the space, and we received $20,000 for the serializations—she would be entitled to $$2500 in addition to her flat fee of $1500 which would already have been paid.

It was clear that only a professional could do the kind of job on this important section. I already spent $1000 out of my own pocket engaging a woman assistant to do this kind of work, and wound up with zero to show for it.

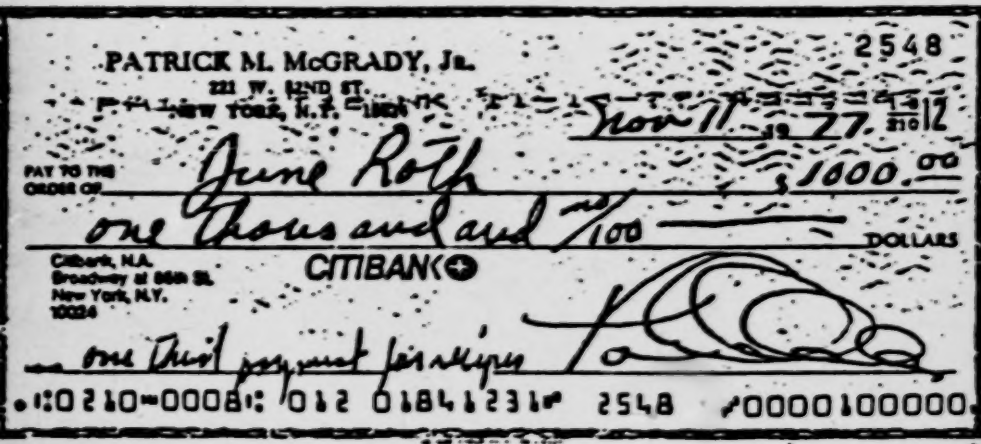
While I think these recipes should properly be considered as research, and therefore your responsibility financially (I will, of course, as writer have to shape their presentation for our book), if you feel that I ought to contribute to her compensation, please tell me what you think would be fair and that will be O.K. with me. I think you will be very pleased with her ideas, however, and her menus can be used at the Center and elsewhere for much additional mileage. They also give the diet some class (thankfully shattering the taco-shell-and-beanpot image other chefs have given your diet). Incidentally, she offered to do the whole ting for a flat fee of $3000. If you want to pay that much, we'd probably save ourselves money in the long run.

The exercise chapter is off to you under separate cover. Attached herewith is an insert page. Please return that chapter soonest with your comments and changes.

Best,

Patrick M. McGrady Jr.

DEFENDANTS' EXHIBIT B—CHECK DATED NOVEMBER 11, 1977


PATRICK M. McGRADY, Jr.
221 W. 82ND ST.
NEW YORK, N.Y. 10024

2548

Nov 11 19 77 210 12

PAY TO THE ORDER OF June Roth $1000.00

one Thousand and no/100 DOLLARS

Citibank, N.A.
Broadway at 86th St.
New York, N.Y.
10024

CITIBANK

one third payment for slipper

⑈021000089⑈ 012 018412314 2548 ⑈0000100000⑈